

General Walter D. Smith
Director, Central Intelligence Agency
Washington, D. C.

My dear General Smith:

By the Directive of April 4, 1951, to the Secretary of State, the Secretary of Defense and the Director of Central Intelligence, there was established the Psychological Strategy Board and, under the Board, a Director to be designated by the President and to receive compensation at the rate of \$16,000.00 per year. The President has now designated [redacted] to be the Director and [redacted] entered on duty on 2 July.

25X1A

25X1A

In order that [redacted] may properly perform his duties as Director and organize his staff, it will be necessary for the Departments of State and Defense and the Central Intelligence Agency to afford him and his staff certain administrative support. Those Departments and the Central Intelligence Agency will arrange among themselves, with the approval of the Bureau of the Budget, for effective support as requested by Mr. Gray. In accordance with the President's instructions it is specifically requested that the Central Intelligence Agency undertake the necessary appointment action to regularize [redacted]'s entry on duty as of 2 July, to continue necessary personnel actions in connection with the position of Director of the Board and to pay the Director's compensation at the rate of \$16,000.00 per year commencing with the effective date of his entrance on duty.

25X1A

25X1A

In the event that [redacted] desires to appoint a Deputy Director to assist him in the performance of his functions, it is requested that the Central Intelligence Agency undertake to give similar administrative support to the Deputy Director and pay his compensation at a rate not to exceed \$ [redacted] per year.

25X1A

LPHouston:mw
25X1A

cc: [redacted]
✓ Subject
Chrono

Note: The procedure outlined in the above letter has been approved by [redacted] provided that Mr. Houston, Mr. Saunders and [redacted] concur. Mr. Saunders has read the letter and it is satisfactory to him. Mr. [redacted] also agrees with the procedure.

25X1A

25X1A